Seminar on Financial Management

Effective Financial Management of Your Federal Grant
All recipients are required to:
- Establish/maintain auditable accounting records and
- Accurately account for funds awarded.
Records shall include Federal, matching, and program income.

Accounting System
- Grantee must maintain an adequate system of accounting and internal controls.
- Grantee must ensure that subrecipients also have an adequate system of accounting and internal controls.
An adequate accounting system:
- Presents and classifies costs, as required for budgetary and evaluation purposes.
- Provides cost and property control to ensure optimal use of funds.

An adequate accounting system:
- Meets requirements for periodic reporting.
- Provides financial data for planning, control, measurement, and evaluation of direct and indirect costs.
FINANCIAL MANAGEMENT SEMINAR
Financial Management Systems

¬ In summary, a Financial Management System must be able to:
  – Record and report on the --
    ¬ Receipt;
    ¬ Obligation; and
    ¬ Expenditure of grant funds.

OMB CIRCULARS

<table>
<thead>
<tr>
<th>COST PRINCIPLES:</th>
<th>(Description of costs, allowable, unallowable, etc.)</th>
</tr>
</thead>
<tbody>
<tr>
<td>A-21</td>
<td>Educational Institutions</td>
</tr>
<tr>
<td>A-122</td>
<td>Non-Profit Organizations</td>
</tr>
<tr>
<td>A-87</td>
<td>State &amp; Local Units of Government</td>
</tr>
</tbody>
</table>
OMB CIRCULAR A-87
Major Provisions

REQUIRES THAT A COST BE:
- Allowable
- Necessary to the performance of a project
- Reasonable
- Allocable to the project and consistently treated

OMB CIRCULAR A-87
Major Provisions

- REQUIRES THAT A COST BE:
  (continued)
  - Non-profitable
  - Claimed against only one award, and
  - Permissible under State & Federal laws and regulations
CLASSIFICATION OF COSTS

DIRECT COSTS:
Costs identified specifically with an activity

DIRECT COSTS, generally include:
- Salaries and Wages (including holidays, sick leave, etc.) - Direct Labor Costs
- Other employee fringe benefits allocable to direct labor employees
CLASSIFICATION OF COSTS

DIRECT COSTS, generally Include: (continued)
- Consultant services contracted to accomplish specific project objectives
- Travel of direct labor employees
- Material/supplies purchased directly for use on a specific project

INDIRECT COSTS:
Costs that are not readily identifiable with a particular grant or contract
OMB CIRCULAR A-87
Major Provisions

INDIRECT COSTS, generally include:
- Maintenance of buildings
- Telephone expense
- Travel and supplies
- Depreciation
- Rental expense

OMB CIRCULAR A-87
Major Provisions

PROVIDES FOR:
- Provisional indirect costs rates adjusted to final (retroactive adjustment)
- Predetermined rates (not normally subject to adjustment)
OMB CIRCULAR A-87
Major Provisions

PROVIDES FOR: (continued)

- Fixed rates (with roll or carry forward adjusted in future period)
- Implements cognizant Federal agency concept

The circular DOES NOT:

- Supersede limitation imposed by law
- Dictate extent of Federal funds
- Provide additional Federal funds for indirect costs
The circular DOES NOT: (continued)

- Dictate how a government should use funds
- Relieve State & local governments of stewardship responsibilities for Federal funds

Circular A-87
Selected Items of Cost

- Accounting
- Advertising
- Alcoholic Beverage
- Audit Services
Circular A-87
Selected Items of Cost

- Bad Debts
- Contingencies
- Contributions & Donations
- Entertainment

Circular A-87
Selected Items of Cost

- Fines/Penalties
- Fund Raising
- Rental Costs
- Under Recovery of Costs under Federal Grants
Obligation Period (grantee books)
  • EX: Award period = 10/1/05 - 9/30/07
    Award date = 12/1/05 (Federal books)
Expenditure Period
  EX: 10/1/05 - 12/14/07

SF 269A
Financial Status Report
Manual vs. On-line Submission

VS.

Web-based SF 269A Reporting

- Quarterly Financial Status Reports may be filed on-line and submitted through the Internet at https://grants.ojp.usdoj.gov.
- The on-line SF-269A requires the same reporting information as the paper version.
- No more faxing. No more mailing.
### Financial Status Report

**Short Form**

(Follow instructions on next page)

<table>
<thead>
<tr>
<th>1. Federal Agency/Organizational</th>
<th>2. Grant Number</th>
<th>Page of</th>
</tr>
</thead>
<tbody>
<tr>
<td>U. S. Dept. of Justice Office of Justice Programs (OJP)</td>
<td>2005-XX-XX-1234</td>
<td>1 ( _ _ _ _ )</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Smallville Police Dept. 123 Main Street Nicetown, USA 12356-9876</td>
<td>12 345 6789</td>
<td>3/31/05</td>
<td>Yes</td>
<td>Accrual</td>
<td>From: 1/1/05</td>
<td>To: 12/31/05</td>
</tr>
</tbody>
</table>

Continued on next slide – Manual Format

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### Financial Status Report

(Facsimile continued)

10. Transactions:

<table>
<thead>
<tr>
<th>Transactions</th>
<th>Previously Reported 3/31/05</th>
<th>This Period</th>
<th>Cumulative</th>
</tr>
</thead>
<tbody>
<tr>
<td>a. Total outlays</td>
<td>$ 11,020</td>
<td>$ 3,000</td>
<td>$ 14,020</td>
</tr>
<tr>
<td>b. Recipient share of outlays</td>
<td>$ 520</td>
<td>$ 1,000</td>
<td>$ 1,520</td>
</tr>
<tr>
<td>c. Federal share of outlays</td>
<td>$ 10,500</td>
<td>$ 2,000</td>
<td>$ 12,500</td>
</tr>
<tr>
<td>d. Total unliquidated obligations</td>
<td></td>
<td></td>
<td>For OJP</td>
</tr>
<tr>
<td>e. Recipient share/unliq oblgtms</td>
<td></td>
<td></td>
<td>$ 4,000</td>
</tr>
<tr>
<td>f. Federal share/unliq oblgtms</td>
<td></td>
<td></td>
<td>$ 1,000</td>
</tr>
<tr>
<td>g. Total Federal Share (c + f)</td>
<td></td>
<td></td>
<td>$ 3,000</td>
</tr>
<tr>
<td>h. Total Fed. funds authorized</td>
<td></td>
<td></td>
<td>$ 15,500</td>
</tr>
<tr>
<td>i. Unoblgted bal. of Fed. funds</td>
<td></td>
<td></td>
<td>$ 50,000</td>
</tr>
<tr>
<td>j. Use Only</td>
<td></td>
<td></td>
<td>$ 34,500</td>
</tr>
</tbody>
</table>

Continued on next slide – Manual Format
<table>
<thead>
<tr>
<th>11. Indirect Expense</th>
<th>a. Type of Rate (Mark Box)</th>
<th>b. Rate</th>
<th>c. Base</th>
<th>d. Total</th>
<th>e. Federal Share</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>☐ Provisional</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>☐ Predetermined</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>☐ Final</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>☐ Fixed</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

12. Remarks: attach any explanations deemed necessary or ....

<table>
<thead>
<tr>
<th>PROGRAM INCOME:</th>
</tr>
</thead>
<tbody>
<tr>
<td>A. Block/Formula pass-through $</td>
</tr>
<tr>
<td>B. Federal Funds Subgranted $</td>
</tr>
<tr>
<td>C. Forfeit $</td>
</tr>
<tr>
<td>D. Other $</td>
</tr>
<tr>
<td>E. Expended $</td>
</tr>
<tr>
<td>F. Unexpended $</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>13. Certification:</th>
<th>I certify to the best of my knowledge that this report is correct and ... purposes set forth in the award documents.</th>
</tr>
</thead>
</table>

<table>
<thead>
<tr>
<th>Typed or Printed Name and Title</th>
<th>Telephone Number</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>(    ) -</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Signature of Authorized Certifying Official</th>
<th>Date Report Submitted</th>
</tr>
</thead>
</table>

Manual Format

Web-based SF 269A Reporting
Web-based SF 269A Reporting

Welcome to OJP's Web Based SF269 Financial Reporting System.

In our continuing effort to better serve you, we are now accepting Financial Status Reports (SF269) through this web-based system. The SF269 must be submitted to the Office of Justice Programs within 45 days after the last day of each calendar quarter. Requests for extensions will not be processed after a quarter's end.

This web-based system enables authorized users to view grant information, view previously submitted SF269s, and submit quarterly SF269s online.

The following chart displays the months covered per calendar quarter, the report filing due date, and the date a reminder email will be sent to you.

<table>
<thead>
<tr>
<th>Quarter</th>
<th>Calendar Quarter</th>
<th>Report Due Date</th>
<th>Email Reminder Sent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q1</td>
<td>Jan 1 to Mar 31</td>
<td>Apr 15</td>
<td>May 7</td>
</tr>
<tr>
<td>Q2</td>
<td>Apr 1 to Jun 30</td>
<td>Jul 15</td>
<td>Aug 7</td>
</tr>
<tr>
<td>Q3</td>
<td>Jul 1 to Sep 30</td>
<td>Oct 15</td>
<td>Nov 7</td>
</tr>
<tr>
<td>Q4</td>
<td>Oct 1 to Dec 31</td>
<td>Dec 15</td>
<td>Jan 7</td>
</tr>
</tbody>
</table>

The final SF269 report is due 120 days after the end date of the award.

Please verify your e-mail address by selecting the Change Email menu option before submitting your report. This e-mail address will be your to confirm receipt of SF269 submission and notify you when reports are due.

If you require assistance or have any questions, contact our Customer Service Center at 1-800-450-0700.

Cynthia J. Schwimmer
Comptroller

Office of Justice Programs

SF269 Maintenance - Home

You may use the tools contained in this section to view grant information, view previous financial status reports (SF 309), and create new status reports. When you create a status report in this section, it is electronically submitted online.

IMPORTANT: You are required to submit a financial status report for your grant within 45 days after the end of the quarter (unless your grant expires before the end of a quarter, in which case the financial status report is due within 30 days of the grant's expiration date). This financial status report should be submitted using Standard Form 269. This allows you to file the SF269 forms electronically.

To view grant information and reports, or to file a new financial status report, click here.
Web-based SF 269A Reporting

![Web-based SF 269A Reporting Image](image1)

![Web-based SF 269A Reporting Image](image2)
Web-based SF 269A Reporting

Office of Justice Programs

SF269 Maintenance

Grantee Grants

Grant Number: 2004/WM/00010
Accounting Rate: $10,000.00
Grant Period: 06/01/2004 to 05/31/2005
Grantee: City of Chicago

To view and edit the Grant Status Reports, you must be using the Acrobat Reader plug-in version 5 or later. If you are not using this plug-in, you will not be able to view and edit your status reports. Click on this icon to download the Acrobat Reader plug-in.
Web-based SF 269A Reporting
Web-based SF 269A Reporting

SF 269 Maintenance

Office of Justice Programs

CURRENT SF269
FINANCIAL MANAGEMENT SEMINAR
Reporting Requirements

Remember:
- Enter and submit the SF 269A on-line; or
- As a last resort, mail or fax to:
  OJP/OC Control Desk
  810 7th Street NW, 5th Floor
  Washington, DC 20531
  Fax: (202) 616-5962

FINANCIAL MANAGEMENT SEMINAR
Reporting Requirements

- The Grant Management System (GMS) has the capability for grantees to report their grant process through an online Categorical Assistance Progress Report or online Performance Report.
- Features include:
  - Data for form is filled in with information already in GMS
  - Grantees can attach documents as part of their report
  - E-mail notifications occur to remind grantees to submit report
  - OJP grant managers can review and send back incomplete reports to grantees
FINANCIAL MANAGEMENT SEMINAR
Reporting Requirements

- Progress Reports - Semi-Annual - due 30th of January and July
- If Progress Reports are delinquent, future awards, fund drawdowns, and grant adjustment notices may not be processed
- Applicants that apply for Federal funding utilizing GMS should submit their progress reports on-line through this system

FINANCIAL MANAGEMENT SEMINAR
Reporting Requirements

- Questions concerning GMS may be addressed to the GMS Help Desk at 1-(800) 549-9901
- As a last resort mail or fax to:
  OJP/OC Control Desk
  810 7th Street NW, 5th Floor
  Washington, DC 20531
  Fax (202) 616-5962 – (20 page limit)
### OMB CIRCULAR

<table>
<thead>
<tr>
<th>Audit Requirements:</th>
<th>(Audit reports, $ thresholds, etc.)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>A-133, Revised</strong></td>
<td>State, Local Governments, &amp; Non-Profit Organizations</td>
</tr>
</tbody>
</table>

### Audit Requirements

- A-133 Gov't, Education and Non-Profit
- Thresholds (expended)
- $500K or more - Single Audit (expended)
- Audit Report - due nine (9) months after end of FY
- Submit to Clearinghouse in Jeffersonville, IN
- $10,000 Questioned Costs
RESOLUTION OF AUDIT REPORTS

- Establish working file for the audit report.
- Review and analyze the audit report.
- If there are any findings, a letter must be generated to the audited recipient. This letter should include a request for a Corrective Action Plan (CAP).

RESOLUTION OF AUDIT REPORTS

The corrective action plan (CAP) should include:
- Description of each finding.
- Specific steps to be taken to implement the recommendation.
- Timetable for performance of each corrective action.
- Description of monitoring to be performed to ensure implementation of CAP.
TOP TEN AUDIT FINDINGS
(for FY 2006)

1. Financial Status Reports not timely submitted
2. Accounting procedures not adequate
3. Suspension and Debarment Certifications not obtained
4. Programmatic reporting requirements not met

5. Subrecipients not adequately monitored
6. Fixed assets not regularly monitored
7. Grant management procedures insufficient
TOP TEN AUDIT FINDINGS
(for FY 2006)

- Segregation of duties not adequate
- Cash management procedures need improvement
- Procurement procedures not detailed

On-line Grant Adjustment Notice (GANs)

- Grant Adjustment Notice
Old GAN Form

Grant Adjustment Notice (GANs)

Standard grant adjustment types

1. Project Budget Additions
2. Approve Sole Source
3. Change Grantee Authorized Signing Official
4. Change Grantee Contact Name or Key Staff
5. Change in approved budget categories
6. Change in OJP Grant Manager
7. Changes in Scope of Grant
8. Changes in Scope of Grant with Budget Implications
9. Contracting for or Transferring of Grant-Supported Effort (Discretionary only)
10. Date Changes – Extension of Expenditure Period (No Cost Extension)
11. Date Changes – Extension of Grant Period
12. Deviations from approved budgets
13. Grant Closouts
14. Name Change
15. Name Change – Grant Administration Change Agreement
16. Name Change – Grant Implementation Change Agreement
17. Permanent Withdrawal or Change in Project Director (Discretionary Only)
18. Project Site/Address Change
19. Removal of Special Conditions (program requirements are met)
20. Remove Special Conditions Related to Withholding Funds
21. Deobligation of Funds for Closout (OC Initiates)
22. Deobligation of Funds in Prep to Closout
23. Successor in Interest Agreements (Categorical only)
24. Temporary Absence of Project Director (Discretionary & Cooperative Agreements Only)
25. Vendor 9 Change or Vendor Change

GMS Grant Adjustment types

- Standardize
- Combine
- Eliminate

Grantee
- Sole Source Approval
- Program Office Approvals
- Budget Modifications
- Change Grantee Authorized Signing Official
- Change Grantee Contact Name or Alternate Contact
- Change Grantee Name
- Mailing Address Change
- Change Project Period
- Change Project Scope
- Program Office

10. Removal of Special Conditions Related to Programmatic Requirements
11. Removal of Special Conditions Related to Programmatic Requirements Withholding Funds
12. Budget Modifications
13. Change Project Period
14. Change Project Scope
15. Removal of Special Conditions Related to Financial Clearance
Grantee Initiated GANs

Grant Manager Initiated GANs
Financial Analyst Initiated GANs

Removal of SC Financial Clearance

CCFMD Financial Analyst → QC Accounting Analyst → QC Accounting Supervisor → GAN Approved

GMS Home Page

Office of Justice Programs

Welcome to the Grants Management System

Click here for Training Material

Click here
**Applicant Sign In Page**

Enter the User ID and Password

**GMS Home Page**

The Grantee will click on the ‘Grant Adjustment’ link
All Active GANs

Click on this link to create a new GAN

Change Grantee Authorized Signing Official

These are the details that will be changed
Choose the adjustment to be made by clicking on the ‘drop-down’ arrow
• A list of ‘Adjustment Types’ will be displayed
• Choose the GAN type by clicking on the appropriate type
Change Information

1. Current information is displayed on the left side, while the right side displays the placeholders where the new and updated information must be entered.

2. Grantee must enter justification for change of signing official prior to saving or submitting GAN request.

Choosing the Document

- User must click on ‘Browse’ to find the attachment
- The ‘Choose File’ dialogue windows opens
- Choose the file by highlighting it
- Click ‘Open’
The Attached Supporting Documents

• To attach the file to the GAN, user must click on ‘Attach File.

The Attached Supporting Document

• Grantee will be given the opportunity to add another document

• Up to 5 documents may be added to the GAN
The form is now complete and the supporting document/s have all been attached.

Once this has been checked, click on ‘Submit’.

---

**Final Action Query**

The form has been checked and all supporting document/s have been attached.

- Active Confirmation
  - Yes
  - No

Once confirmed, click on ‘Submit’ to proceed.
Completed GAN Notification
All Active GANs

The Internal Login Page

Grantee Manager login page
Accessing the Grant Adjustment Module

To view Grant Adjustment request click on the ‘Grant Adjustment’ tab

GANs that Require Further Action

Click GAN System ID to view Request
View GAN Request

- Grant Manager can add other attachments to the GAN request
- Grant Manager has the option to Approve, Deny, or Change Request the GAN request

Approve GAN Request

Place a check mark in the box next to the GAN id number and click the "Approve" button
Authorized Signing Official has been changed

Change Grantee Name
Change Grantee Name

Grantee highlights and clicks on the desired change action

A Notification box will appear, advising the grantee of the implications of the action
Change Grantee Name

A list of all Grants that will be affected by the change will show on the right side of the GAN document.

Grantee must click on the 'Select' button to continue.
Change Grantee Name

An 'Action Notification' dialogue query box will appear confirming the action.
Completed GAN Notification
All Active GANs